

**STATEMENT
OF
SUSAN HERMAN
EXECUTIVE DIRECTOR
NATIONAL CENTER FOR VICTIMS OF CRIME**

**BEFORE THE
COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION
UNITED STATES SENATE**

**CONCERNING
FRAUD OF THE ELDERLY**

**Presented on
August 4, 1999**

Mr. Chairman, Members of the Committee, my name is Susan Herman. I am the Executive Director of the National Center for Victims of Crime.

I'd like to thank you for convening this hearing and exploring the difficult problem of fraud against the elderly. You show great leadership by shining light on this topic. I appreciate the opportunity to speak with you today because I believe as a nation, we have not faced this issue squarely— for two primary reasons.

First - the elderly in this country are ignored. We live in a fast-paced, youth-oriented society. Elder issues are not high on the social agenda. Many of our parents and grandparents live their twilight years in isolation and loneliness.

Second - policy debates about crime and its victims focus on victims of violent crime, virtually to the exclusion of victims of nonviolent property crimes. It is the firm belief of our organization that every crime has a victim and every victim needs this nation's help. Nonviolent crime can be emotionally, physically, and spiritually devastating. And, because they have particular difficulty being their own advocates, elderly victims have a special claim on our social conscience.

So, you are to be commended for drawing national attention to the plight of elderly victims of fraud.

After working with nearly 10,000 public and private non-profit agencies and organizations across the country, it is clear to us that elderly victims of fraud are among the most underserved of any victim group. You just heard three people describe their experience, but every day there are thousands of cases like theirs: people scammed by home services, defrauded by caregivers, exploited by neighbors or family members, or tricked by the unscrupulous.

Best estimates are that 20% of the elderly have been victims of some kind of fraud.¹

Unfortunately, many elder victims are too embarrassed to report. Sometimes the perpetrator is a loved one or their caregiver, and they don't want to get them in trouble. Sometimes, elders are not aware they have been defrauded or feel that reporting will do no good, or they don't want to bother the police. Sometimes, they are reluctant to confront their greatest fear - that they will be considered incompetent to handle their own financial affairs. By reporting, many feel they risk their independence.

Even when elder victims of fraud do report, it is often to Adult Protective Services, or another agency already providing services to them, and it is common for their complaints not to be passed on to the police.

Finally, for cases that find their way to the criminal justice system, police, prosecutors, judges, and jurors may discount elderly witnesses, failing to distinguish between mental incapacity and physical infirmity.

As other witnesses have testified, the impact of fraud on elders can be profound and life altering. Elders, more often than not, live on *fixed* incomes, many at or below the poverty level. Too often, fraud means elderly Americans go without food, medication or other necessities.

As elders lose their savings, go into debt, mortgage property, or take out credit card advances to

¹ Bachman, Ronet. (1992). Elderly Victims: Bureau of Justice Statistics Special Report. Washington, D.C.: U.S. Department of Justice, Bureau of Justice Statistics, p. 3.

pay those exploiting them, even comfortable lifestyles collapse.

Generally, senior citizens do not have the time or opportunity for financial recovery; their prime earning years are behind them. At a time in life when one tries to conserve assets, a blow to financial security is often a permanent and life-threatening setback.

Elder fraud victims often find their trust shattered. They doubt their judgment. They feel isolated, depressed, angry, and ashamed. These violations of trust compounded with the subsequent uncertainty about paying bills, often lead to illness. In fact, seventy-eight percent of elderly victims develop acute and chronic anxiety.²

Even when elders do reach out, help is rarely available. As a nation, we don't address the needs of victims of nonviolent crime. Every state in this country has a financial compensation system

that pays for medical and counseling expenses, and other costs of a crime. None cover elder fraud.³

Furthermore, a recent national survey of victim assistance programs reveals, only 8 of the 184 responding programs indicated that they intervene on behalf of elder abuse victims, including

² Roberts, Albert R. (1990). Specialized Services for Elderly Crime Victims. In Albert R. Roberts (Ed.), *Helping Crime Victims: Research, Policy, and Practice*. Newbury Park, CA: Sage Publications, and telephone conversation with author, July 22, 1999.

³ Pennsylvania's compensation program stands as a limited exception. It covers victims who have lost social security or pension payments as a result of the crime, if such payments are the primary source of income for the victim. 71 P.S. 180-7 (1998).

⁴ Roberts, Albert R. (1990). Specialized Services for Elderly Crime Victims. In Albert R. Roberts (Ed.), *Helping Crime Victims: Research, Policy, and Practice*. Newbury Park, CA: Sage Publications, and telephone conversation with author,

victims of financial exploitation.⁴

Between 2010 and 2030, it is estimated that the proportion of Americans over 65 will grow to 20% of our nation's population.⁵ We must do better, we must do more, and we must act soon.

Older Americans served this country well. They deserve dignity and financial security, and yet they are too frequently robbed of both. We urge you to lead a national discussion on this problem and help construct effective responses. Our elders deserve no less. We pledge our continued support to you in these efforts.

July 22, 1999.

⁵ *Aging into the 21st Century*, May 31, 1996, www.aoa.dhhs.gov/aoa/stats/aging21.